Meeting of the Cabinet to be held at No. 10, Downing Street, S.W.1., on WEDNESDAY, 14th NOVEMBER, 1954,
at 11.0 a.m.

AGENDA.

1. FOREIGN AFFAIRS - (If required).

2. REDUCTION AND LIMITATION OF ARMAMENTS.
   (Reference Cabinet 38 (34) Conclusion 2).

3. NAVAL CONFERENCE, 1955 - (If required).
   (Reference Cabinet 39 (34) Conclusion 2).

4. IMPERIAL DEFENCE POLICY.
   (Reference Cabinet 39 (34) Conclusion 3).

5. NAVAL CONSTRUCTION PROGRAMME.
   (Reference Cabinet 39 (34) Conclusion 13).
   Report of Cabinet Committee on Allocation of two Cruisers.
   C.P. 253 (34) - to be circulated.

6. THE KING'S SPEECHES ON THE PROROGATION AND THE OPENING OF PARLIAMENT.
   (Reference Cabinet 36 (34) Conclusion 7).
   Note by the Acting Secretary, covering draft Prorogation Speech prepared by the Cabinet Committee.
   C.P. 248 (34) - to be circulated.

   Note by the Acting Secretary, covering draft Opening Speech prepared by the Cabinet Committee.
   C.P. 249 (34) - to be circulated.

7. WEST INDIES: CLOSER UNION PROPOSALS.
   (Reference Cabinet 47 (33) Conclusion 3).
   Memorandum by the Secretary of State for the Colonies.
   C.P. 245 (34) - already circulated.
8. ENQUIRY INTO STATE OF BUSINESS IN KING’S BENCH DIVISION: TERMS OF REFERENCE AND COMPOSITION OF PROPOSED COMMITTEE.

(Reference Cabinet 39 (34) Conclusion 6).
Statement to be made by the Lord Chancellor.

9. SUPPLIES OF PETROLEUM FOR GERMANY.

(Reference Cabinet 39 (34) Conclusion 4).
Memorandum by the President of the Board of Trade.
C.P. 252 (34) - already circulated.

10. UNEMPLOYMENT: DEPRESSED AREAS.

(Reference Cabinet 39 (34) Conclusion 8).
C.P. 245 (34) - already circulated.
Third Report of the Cabinet Committee.
C.P. 254 (34) - to be circulated.

11. UNEMPLOYMENT ASSISTANCE BOARD: DRAFT REGULATIONS - (If ready).

(Reference Cabinet 37 (34) Conclusion 1).

12. EDUCATIONAL ENDOWMENTS (SCOTLAND) COMMISSION.

(Reference Cabinet 30 (34) Conclusion 13).
Memorandum by the Secretary of State for Scotland.
C.P. 251 (34) - already circulated.

(Signed) R.B. HOWORTH,
Acting Secretary to the Cabinet.

2, Whitehall Gardens, S.W.1.,
12th November, 1934.
CONCLUSIONS of a Meeting of the Cabinet held at 10, Downing Street, S.W.1, on WEDNESDAY, 14th NOVEMBER, 1934, at 11.0 a.m.

PRESENT:
The Right Hon. J. Ramsay MacDonald, M.P., Prime Minister. (In the Chair).
The Right Hon. Stanley Baldwin, M.P., Lord President of the Council.
The Right Hon. Sir John Gilmour, Bt., D.S.O., M.P., Secretary of State for Home Affairs.
The Right Hon. The Viscount Hailsham, G.B.E., M.P., Secretary of State for War.
The Right Hon. Sir Samuel Hoare, Bt., G.C.S.I., C.M.G., M.P., Secretary of State for India.
The Right Hon. Walter Runciman, M.P., President of the Board of Trade.
The Right Hon. Walter Elliot, M.C., M.P., Minister of Agriculture and Fisheries.
The Right Hon. Neville Chamberlain, M.P., Chancellor of the Exchequer.
The Right Hon. The Viscount Sankey, G.B.E., Lord Chancellor.
The Right Hon. J.H. Thomas, M.P., Secretary of State for Dominion Affairs.
The Most Hon. The Marquess of Londonderry, K.G., M.V.O., Secretary of State for Air.
The Right Hon. The Viscount Halifax, K.G., G.C.S.I., G.C.I.E., President of the Board of Education.
The Right Hon. Oliver Stanley, M.C., M.P., Minister of Labour.

Sir R.B. Howorth, K.C.M.G., C.B., ............... Acting Secretary.
1. The Secretary of State for Foreign Affairs drew the attention of the Cabinet to the statement in "The Times" that morning that Herr von Ribbentrop, who in Germany holds the official position of Commissioner for Armament, had seen the Secretary of State and also the Lord Privy Seal, and had explained to them "the nature of such re-armament as is proceeding in Germany and to have stated emphatically that it had no aggressive purpose".

It was true that Herr von Ribbentrop had seen the Secretary of State and the Lord Privy Seal, but he had not referred at the interview to the subject of German re-armament, and the conversation had been almost entirely concerned with the social side of his visit to England. "The Times" had not derived their information from the Foreign Office, and it seemed probable that they had got it from some German source.

The Prime Minister informed the Cabinet that he understood that Herr von Ribbentrop desired to see him for the purpose of assuring him that German re-armament was not a menace to Europe and in order to give him certain facts and figures relating to German re-armament. As at present advised the Prime Minister was not disposed to see Herr von Ribbentrop.

In the course of discussion it was suggested that if Herr von Ribbentrop volunteered to give information about German re-armament it might be of some advantage to have it, although naturally his statements on the subject would have to be received with great caution. On the other hand, it might be embarrassing to us to receive such information, particularly if Herr von Ribbentrop gave it in response to a specific request. For example, we should be bound to communicate the
information to the French and we might be pressed to state what action we proposed to take.

The Cabinet took note that the Ministerial Committee on Disarmament would give further consideration to this matter at their Meeting on the following day.
2. No discussion took place on the subject of Reduction and Limitation of Armaments, but the Acting Secretary to the Cabinet was instructed to keep it on the Agenda Paper.
The Cabinet were informed that a Meeting had been held with the Dominion High Commissioners in London, and with General Smuts, at which the Secretary of State for Foreign Affairs had summarised for the benefit of the Dominion representatives the conversations which had recently taken place with the Japanese and American Delegations. This explanation had covered both the political and technical aspects of the matter, and the Dominion representatives had been informed, in strict confidence, that we had suggested to the Japanese that the question of prestige might be met by a general declaration of equality of national status, and that as regards future building programmes we would be prepared to accept an arrangement whereby each party to the Treaty would make a separate declaration of its intentions in the matter of Naval construction over a specified period of years, the terms of such declarations being agreed between the parties beforehand. The Dominion representatives had also been informed that we had told the Japanese of our requirement that any general agreement with them must include the safeguarding of British rights in the Far East.

There had been considerable discussion, in which General Smuts and Mr Bruce had taken leading parts, and at the close of the proceedings the Dominion representatives had expressed themselves as in full agreement with the course which the United Kingdom representatives had taken in the conversations.

The Cabinet were informed that a Meeting with the United States Delegation would take place that afternoon, and that steps had been taken to correct any misconception there might have been in the mind of Mr Norman Davis that the United Kingdom was attempting
to come to some arrangement with Japan inimical to
the interests of the United States. No reply to
our suggestions had yet been received from the
Japanese, and it seemed probable that they were
finding very great difficulty in knowing what answer
to make.

The Cabinet took note of this
communication.
4. No discussion took place on the subject of Imperial Defence Policy, but the Acting Secretary to the Cabinet was instructed to keep it on the Agenda Paper.
5. The Cabinet had before them the Report of the Cabinet Committee appointed at the Meeting referred to in the margin, on the allocation of the two Cruisers to be built in private yards (C.P.-253 (34)), at the end of which the following recommendation was made:

That the two "M" Class Cruisers of the 1934 Programme should be allocated to the two lowest tenderers, viz.:

One Cruiser to Vickers-Armstrong; the hull to be built in the firm's Walker Yard on Tyneside, and the machinery at Barrow; and

One Cruiser to Scott's, to be built at Greenock on the Clyde.

The Cabinet approved the recommendation of the Committee as set forth above.
6. The Cabinet had before them drafts of the King's Speeches on the Prorogation of Parliament on Friday, November 16th, and on the Opening of Parliament on Tuesday, November 20th (C.P.-248 (34) and C.P.-249 (34)), as adopted by the Committee appointed by the Cabinet at the Meeting mentioned in the margin.

The following amendments to the King's Speech on the Prorogation of Parliament were adopted by the Cabinet:-

Page 1, paragraph 1, to be revised to read:

"The murder of the former Austrian Chancellor in July, and the assassinations of the King of Jugoslavia and of Monsieur Barthou in October, profoundly shocked the world and evoked the deep sympathy of Myself and all My people. These tragedies undoubtedly caused a serious set-back to movements then on foot for European appeasement, and I have therefore noted with satisfaction the untiring efforts which My Government have made in many directions to counsel moderation and promote more friendly relations between nations."

Page 1, paragraph 3, to be revised to read:

"Two of My sons have been able to make visits during the present year to My dominions overseas. The welcome which the Duke of Kent received during his recent visit to South Africa and that given to the Duke of Gloucester first in Ceylon and then in Australia have been a source of great pleasure to the Queen and Myself."

Page 3, paragraph 1, line 2, for "misfortunes" read "special conditions".

The Cabinet agreed:

To approve for submission to His Majesty the text of the Draft King's Speech on the Prorogation of Parliament in the form set out in Paper C.P. 248 (34) subject to the alterations set out above.

For the text of this Draft Speech as approved by the Cabinet see Appendix I.
The King's Speech on the Opening of Parliament.

The following alterations to the Draft King's Speech on the Opening of Parliament, Paper C.P. 249 (34), were adopted by the Cabinet:

Page 1, paragraph 2, this Disarmament paragraph was revised to read:

"The maintenance of world peace does not cease to give My Government the most anxious concern. They will continue to make the support and extension of the authority of the League of Nations a cardinal point of their policy. They earnestly trust that the general work of the Disarmament Conference may be actively resumed in a political atmosphere more favourable to the attainment of definite results. In the meantime, strenuous efforts will be made to secure international agreement on such matters as are capable of separate treatment."

Pages 1 and 2, delete the Defence paragraph in brackets, last three lines on page 1 and first three lines on page 2.

Page 2, delete paragraph 6:

"The condition of the agricultural industry will continue to receive the close attention of My Ministers."

Page 2, paragraph 7, to be revised to read:

"A Measure will be submitted to you to assist certain areas in which prolonged unemployment has created problems of an exceptional character. A Bill will also be laid before you to amend the law relating to the supply of electricity."

Page 3, after the first paragraph insert a new paragraph as follows:

"The condition of agriculture and the reorganisation of the herring industry are closely engaging the attention of My Ministers."

Page 3, paragraph 3, to be revised to read as follows:

"Measures will be introduced, if time permits, for the control of building development along the main thoroughfares, for providing better housing of the Metropolitan Police, and other subjects."

Page 3, paragraph 3, add after the words "My people" the words "and the peace of the world".
The Cabinet agreed:

To approve for submission to His Majesty the text of the Draft King's Speech on the Opening of Parliament as set out in C.P. 249 (34) subject to the alterations named above.

For the text of this Draft Speech as approved by the Cabinet see Appendix II.

Note: Revised prints of the two Draft Speeches in the form approved by the Cabinet were sent on the evening of November 14th, to Sandringham for submission to His Majesty, the King.
7. In connection with the reference in the penultimate paragraph of the Draft King's Speech on the Opening of Parliament to the control of building development along the main thoroughfares, the Minister of Health informed the Cabinet that a joint memorandum by the Minister of Transport and himself on the subject was about to be circulated to the Cabinet for consideration at an early convenient opportunity.

The Cabinet took note of this communication.
B. With reference to the Conclusion mentioned in the margin, the Cabinet had before them a Memorandum by the Secretary of State for the Colonies (C.P.-245 (54)) relating to the recommendations made in the Report of the Closer Union Commission, which visited the Leeward Islands, the Windward Islands and Trinidad. The financial implications of these recommendations had now come before the Legislatures of the Leeward and Windward Islands, and the debates showed there was little enthusiasm for the Commissioners' proposals as they stood. The Secretary of State had accordingly decided that it was not practicable at present to proceed with a scheme of closer union. He had, however, been impressed by the view, emphasised in the Report, that the time had come when the inhabitants of the Windward and Leeward Islands should be given a greater say in the conduct of local affairs, and he had accordingly instructed the Acting Governors in despatches (copies of which were appended to the Memorandum) for a vote to be taken in the Island following Legislatures on the proposals set forth in his Memorandum, namely, that the official majority should be abolished; that only those officials whose presence is necessary for the conduct of business should sit as members of the Legislative Council; that an unofficial majority should be created with elected as well as nominated members, on the definite understanding that (in addition to his existing power of veto) the Governor would be empowered at any stage to carry any measure which he considered necessary in the interests of public order, public faith or other essentials of good government.
The Secretary of State for the Colonies had caused copies of the despatches to be placed in the Library of the House of Commons, and it was also proposed to make the despatches available to the press representatives there next week.

The Cabinet took note of the Memorandum by the Secretary of State for the Colonies, C.P. 245 (34), in regard to the West Indian Closer Union question.
9. With reference to the conclusion mentioned in the margin, the Lord Chancellor informed the Cabinet that it was his intention to lay before the Cabinet at their meeting on November 21st, his proposals relative to the terms of reference and composition of the Commission of Enquiry into the State of Business in the King's Bench Division.

The Cabinet took note of this communication.
10. The Cabinet had before them a Note by the President of the Board of Trade (C.P.-252 (34)) circulating for the consideration of his colleagues a Memorandum by the Secretary for Mines on a proposal to secure additional deliveries of oil to Germany over a period of years, made on behalf of the German Government to the large oil groups which supply Germany with the bulk of her imports of oil. The Memorandum had been prepared as a result of consideration of the proposal by an Inter-Departmental conference, whose conclusion was that there were no sufficient grounds of public policy on which His Majesty's Government could advise the Anglo-Persian Oil Company to reject the proposal: but that it should be suggested to the Company that they should secure the deletion of the condition as to delivery within two years, or, if that proved impossible, that the period over which payment was to be made should conform to the period of delivery. The President of the Board of Trade concurred in this conclusion and sought the approval of the Cabinet to the action proposed.

In the course of discussion it was pointed out that the arrangements in contemplation would greatly strengthen Germany from the military point of view by providing her with this substantial oil reserve, and doubts were expressed whether in fact Germany would refrain from doing everything she could to develop her internal production of oil by the existence of this reserve and the other contemplated arrangements for obtaining external supplies. The suggestion was made that Germany's real object was to obtain this reserve
and also to proceed as rapidly and efficiently as possible with the development of her internal resources.

On the other hand, the Cabinet were assured that the Inter-Departmental Committee which had examined the question had given prolonged consideration to these aspects of the matter, and had reached the conclusion that it would be preferable that Germany should remain dependent on external sources for her oil requirements rather than that she should be driven to rely entirely on her internal production.

The Chancellor of the Exchequer informed the Cabinet that he was in agreement with the conclusion reached by the President of the Board of Trade.

The Secretary of State for War observed that the Defence Departments had not been represented on the Inter-Departmental Committee which had examined the question.

The Cabinet agreed -

To approve the proposal of the President of the Board of Trade that he should be authorised to act in the matter of the supply of petroleum to Germany on the lines laid down in paragraph 10 of the Inter-Departmental Committee's Report and summarised above.
11. With reference to the Conclusion mentioned in the margin, the Cabinet had before them the Third Report (C.P.-254 (34)) of the Committee on the Reports of the Investigators into the Depressed Areas. This Report dealt with certain matters which had been reserved for further consideration and discussion between the Ministers principally concerned, and recorded the Committee's recommendations in regard thereto. Attached as an Appendix to the Report were the Committee's revised proposals relating to the suggested powers, duties and responsibilities of the proposed Commissioners for the Depressed Areas.

The Chancellor of the Exchequer drew the attention of the Cabinet to the recommendations contained in the Committee's Third Report, and the Cabinet agreed:-

(a) To approve the recommendations of the Committee as set out in paragraph 10 of the Report as follows:-

(1) That approval in principle should be given to the revised proposals set out in the Appendix to this Report relative to the powers, duties and functions to be assigned to the proposed Commissioners for the Depressed Areas.

(2) That the proposals in the form approved by the Cabinet should form the basis of the requisite legislation, and that a draft Bill should now be prepared for consideration by the Committee and subsequent Cabinet approval.

(3) That Contractors obtaining Government contracts should be urged to engage their labour through the Employment Exchanges, and that Local Authorities should be invited to make a similar appeal to their own Contractors; that as regards employers generally local appeals should be made on the same lines to employers in particular areas.

(4) That no change should be made in the 1930/31 settlement under which grants towards land drainage schemes are only made through properly constituted Catchment Boards.
(5) That the suggested provision for Arterial Drainage in Scotland falls outside the scope of proposals for dealing with the Depressed Areas.

(6) That a grant should not be made from public funds towards the Jarrow Slake Scheme.

(7) That a grant should not be made from public funds in aid of the proposed Senghenydd to Nelson Road.

(8) That an examination should be made without delay into the Local Government arrangements on Tyneside and at Merthyr Tydfil respectively.

(9) That favourable consideration should be given to the question of according special priority for any Public Works schemes of economic value which would be undertaken in the normal course in the Depressed Areas.

(b) To take note of the following matters mentioned in paragraph 10 of the Report:

(10) The Committee have invited the Minister of Transport to proceed as rapidly as possible with an enquiry into the proposal for improving Whitehaven Harbour.

(11) The Committee have asked the Minister of Transport for his opinion on the proposed road tunnel under the Tyne, and in particular whether local support is likely to be forthcoming for the scheme if the grant from the Road Fund does not exceed 60%.

(12) In the opinion of the Committee, pending the appointment of the Commissioners and consideration by the Government of housing policy generally, the question of a special contribution in aid of housing in the Depressed Areas should be deferred.

(c) To take note that the Chancellor of the Exchequer had invited Mr. P.M. Stewart, O.B.E., Chairman of the Associated Portland Cement Manufacturers Ltd., to be Commissioner for England and Wales, and that it was hoped that Mr. Stewart's formal acceptance of this offer would be received in time for an announcement to be made in the course of the forthcoming Debate. Mr. Stewart had intimated that if he accepted the position he did not wish to be offered any remuneration.

(d) To take note that the Chancellor of the Exchequer had invited Lieut.-Colonel Sir Arthur Rose, D.S.O., to be Commissioner for Scotland, and that Sir Arthur Rose had accepted this offer and had also intimated his desire to give his services without remuneration.
To take note that in the course of his explanation of the scheme, the Chancellor of the Exchequer proposed to refer to the financial provision of £2,000,000 by pointing out that it was not possible to estimate in advance precisely how much money would be required, but that the Government desired the Commissioners to enter upon their work free from any immediate financial difficulties; that this end would be attained by the provision of the sum of £2,000,000, and that if as the result of experience more money was found to be required, Parliament would be invited to vote it.
12. With reference to the Conclusion mentioned in the margin, the Cabinet were informed that the Cabinet Committee which was considering the Draft Regulations of the Unemployment Assistance Board had not been able to complete their investigations and that for that purpose a further Meeting of the Committee was desirable.

The Cabinet agreed —

That a Special Meeting of the Cabinet, to consider the Draft Regulations of the Unemployment Assistance Board, should be held at 10 Downing Street on FRIDAY, NOVEMBER 16th, at 10 a.m.

(NOTE: This Meeting of the Cabinet is in substitution for the Meeting summoned for 10-30 a.m. on Thursday, November 15th.)
The Cabinet had before them a Memorandum by the Secretary of State for Scotland (C.P.-251 (34)) relative to the Educational Endowments (Scotland) Bill, which had been introduced in the House of Commons on July 26, 1934. As no time would be available for the further stages of the Bill during the remainder of the present Session the Secretary of State asked authority to re-introduce the Bill as soon as Parliament assembled for the new Session. The Memorandum added that unless the Bill was passed through all stages before December 31st the work of the Educational Endowments (Scotland) Commission would then come to an end.

The Cabinet took note of the position in regard to the Educational Endowments (Scotland) Bill, and agreed that the Secretary of State for Scotland should be authorised to re-introduce the Bill as soon as practicable in the 1934-35 Session, and that every effort should be made to secure the passage of the Bill into law before December 31st next.
14. With reference to the Conclusion mentioned in the margin, the attention of the Cabinet was drawn to the fact that in his speech in the House of Commons on November 8th last, the Secretary of State for Foreign Affairs had not referred to the proposal for a United Kingdom Inquiry, as had been contemplated when the question was discussed at the previous meeting of the Cabinet.

The Cabinet were informed that at a Meeting of the Cabinet Committee on the King's Speeches, held at noon on November 8, 1934, the Secretary of State for Foreign Affairs had told the Committee that, since the Cabinet had decided that he should announce the contemplated United Kingdom Inquiry in the Debate that afternoon, he had given the question his most careful consideration and had come to the conclusion that there were grave objections to such an announcement being made. In particular, it would, in his view, be most difficult, if not impossible, to draft satisfactory terms of reference which would preclude any possibility of a roving or fishing Inquiry. The Cabinet were also informed that, while the Cabinet Committee had recognised that the offer of the contemplated Inquiry would assist the Government in the Debate and that the Inquiry itself would be valuable from the point of view of educating public opinion, they had accepted the view of the Secretary of State for Foreign Affairs and had accordingly agreed that no reference should be made to the proposed United Kingdom Inquiry in the opening speech of the Government's spokesman in the Debate.

The view was expressed that the offer of an Inquiry would have made no difference in the Debate,
which had shown that the only kind of Inquiry which would have satisfied the critics of the Government was a roving Inquiry such as it had been decided in any event to resist. On the other hand, it was urged that the offer of an Inquiry would have been advantageous, from the political point of view, in the country, and that it might still be found necessary to offer such an Inquiry in order to appease a very general feeling of anxiety among the Government's supporters in the constituencies.

The suggestion was made that the best solution might be for the United Kingdom representatives at Geneva to make a statement regarding the Government's determination to press for international Conventions dealing with publicity of national defence expenditure and for the control and regulation of the trade in, and manufacture of, arms.

After some further discussion the Cabinet agreed —

(a) To take note of the circumstances in which it had been decided to vary the Conclusion reached by the Cabinet at their Meeting on November 7, 1934, relating to what the Government were prepared to do in regard to the proposed United Kingdom Inquiry (Cabinet 39 (34), Conclusion 1 (f)).

(b) To take note that the question of the instructions to the British representatives at the forthcoming Meeting of the Bureau of the Disarmament Conference at Geneva would be considered by the Ministerial Committee on Disarmament at their Meeting on the following day, and that the Report of that Committee would be placed on the Cabinet Agenda for the Meeting on November 21, 1934.

...
APPENDIX I.

Draft of The King's Speech on the Prorogation of Parliament.

November 16, 1934.

My Lords and Members of the House of Commons,

The murder of the former Austrian Chancellor in July, and the assassinations of the King of Yugoslavia and of M. Barthou in October, profoundly shocked the world and evoked the deep sympathy of Myself and all My People. These tragedies undoubtedly caused a serious setback to movements then on foot for European appeasement, and I have therefore noted with satisfaction the untiring efforts which My Government have made in many directions to counsel moderation and promote more friendly relations between nations.

In continuation of the conversations which took place last summer, representatives of My Government are at present engaged in preliminary discussions with representatives of the Governments of the United States and Japan in preparation for the Naval Conference, which is due to take place next year. It is My earnest hope that their efforts may be attended with success, in order that the world may be spared the evil of unrestricted competition in naval armaments so effectively averted in recent years by the international engagements freely entered into by the parties concerned.

Two of My sons have been able to make visits during the present year to My dominions overseas. The welcome which the Duke of Kent received during his recent visit to South Africa and that given to the Duke of Gloucester first in Ceylon and then in Australia, have been a source of great pleasure to the Queen and Myself.

An Act has been passed making fresh provision for the administration of Newfoundland in accordance with the recommendations of the Royal Commission on Newfoundland. A Commission of Government has been set up and will, I trust, succeed in restoring prosperity to the Island.

The Joint Committee of both your Houses, after patiently and assiduously examining the problem of the future government of India, have concluded their task, and their recommendations will shortly be before you. Seldom, if ever, has an enquiry covered a wider or a more important field, and I do not doubt that your Committee have discharged their duty in a manner worthy of the task entrusted to them.

Members of the House of Commons,

I thank you for the provision you have made for the public service.

My Lords and Members of the House of Commons,

Notwithstanding the continuance of difficult conditions affecting international trade, the purchasing and saving power of My People has been strengthened and the national finances have so far improved as to justify a substantial alleviation of the burdens which were accepted three years ago.

The continued improvement in trade and employment among My People gives me great satisfaction. I am especially pleased at the welcome expansion in the export trade of this country, which has been materially assisted by the trade agreements which have been concluded with a number of foreign States, and by the development of trade within the Empire on the basis of mutual preference.

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I regret that unhappily some areas have not shared in this improvement and their special conditions are receiving the sympathetic attention of My Ministers.

I have given My assent to a Bill providing for the amendment of the unemployment insurance scheme and for the establishment of a system of unemployment assistance on a national basis.

Bills have received My assent providing for the amendment of the law relating to betting and gambling, for the prevention of incitement to disaffection, and for regulating the hours of employment of young persons in the distributive trades.

Measures have also been passed for meeting the situation arising from the long continued drought, and for assisting the livestock and dairy sections of the agricultural industry.

Bills relating to Scotland have received My assent providing for the acceleration of the provision of small holdings, for the suppression of illegal trawling, and for the amendment of the Poor Law.

A number of other Measures of public utility have been passed into law.

I pray that the blessing of Almighty God may rest upon your labours.
APPENDIX II.

Draft of The King's Speech on the Opening of Parliament.

NOVEMBER 20, 1934.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS,

MY relations with foreign Powers continue to be friendly.

The maintenance of world peace does not cease to give My Government the most anxious concern. They will continue to make the support and extension of the authority of the League of Nations a cardinal point of their policy. They earnestly trust that the general work of the Disarmament Conference may be actively resumed in a political atmosphere more favourable to the attainment of definite results. In the meantime, strenuous efforts will be made to secure international agreement on such matters as are capable of separate treatment.

The Report of the Joint Committee of both your Houses on Indian Constitutional Reform is about to be placed in your hands, and it will be the duty of My Ministers to lay before you their legislative proposals for the future government of India. I pray that both your Houses, upon whom now rests the responsibility of deciding these issues, may approach the task which lies before them with the single aim of furthering the well-being of My Empire.

MEMBERS OF THE HOUSE OF COMMONS,

The Estimates for the public services will be laid before you in due course.

MY LORDS AND MEMBERS OF THE HOUSE OF COMMONS,

Although factors adverse to the full resumption of international trade still exist, it is My earnest hope that the coming year will be marked by a continuance of the spirit of confidence and enterprise which has enabled this country to take the lead in world recovery.

The condition of the shipping industry is receiving the anxious consideration of My Ministers. The serious position of tramp shipping calls for early treatment, and you will be invited to consider a measure for providing temporary assistance to this section of the industry.

My Ministers, in conjunction with the local authorities, are pressing forward with the task of clearing the slums in regard to which the national conscience has been so deeply stirred. So great a measure of progress is being attained that My Ministers are able to contemplate the next step in the process of improving the housing conditions of the people. A Bill will accordingly be submitted to you for preventing overcrowding and making provision for the rehousing of those found to be living in overcrowded conditions.

A similar Bill applying to Scotland will also be introduced.

A Measure will be submitted to you to assist certain areas in which prolonged unemployment has created problems of an exceptional character. A Bill will also be laid before you to amend the law relating to the supply of electricity.

My Ministers have for some time past had under consideration the further development and acceleration of Imperial air communications, and Measures to this end will be brought forward in due course.
The condition of Agriculture and the reorganisation of the herring industry are closely engaging the attention of My Ministers.

Measures will be introduced, if time permits, for the control of building development along the main thoroughfares, for providing better housing of the Metropolitan Police, and other subjects.

I pray that, under the blessing of God, the outcome of your deliberation may advance the happiness and well-being of My people and the peace of the world.